

July 25, 2013

Via ECFS

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, N.W.
Washington, D.C. 20554

Re: *Rates for Interstate Inmate Calling Services*
WC Docket No. 12-375

Dear Ms. Dortch:

On July 22, 2013, Richard Torgersrud, founder and CEO, and Kevin O'Neil, President and co-founder, of Telmate, LLC, along with undersigned counsel, met with representatives of the Commission's staff to discuss the captioned rulemaking proceeding. Attending on behalf of the Pricing Policy Division of the Wireline Competition Bureau were Randy Clarke, Deputy Division Chief, and Rhonda Lien. Also present was John Bilyeu, an intern with the office of Chairwoman Clyburn.

Telmate explained that it provides inmate calling services in 44 states, including most recently Hawaii. The company has pioneered a postalized rate structure, where permitted by state PUC local rate mandates, for larger Department of Corrections ("DOC") systems, as discussed in Telmate's opening comments in this docket.

Mr. Torgersrud addressed the substantial differences in terms of scale, capacity, broadband costs and inmate "churn" between larger state DOC systems and the thousands of smaller county and municipal jails served by ICS providers like Telmate. He stressed that monitoring, records storage and security requirements — including voice biometrics, blocking of restricted calls (to judges, witnesses, etc.) and voicemail, among others — remain the same regardless of the size of the facility, such that phones and traditional voice calls are today a "very small part" of the services provided to inmates and correctional officials by ICS providers. He also explained that reductions in transport expenses for IP voice traffic have not in fact reduced either operating or R&D costs for ICS services, which today include numerous video and data functionalities such as video visitation, secure social media messaging, and the like.

In response to questions from the Staff, Telmate stated that:

1. International services (with instructions in a wide variety of different languages) are offered to all facilities.

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2. Telmate operates four redundant data centers which, together with perpetual storage and search requirements for digitized call recordings, impose data storage and processing requirements on the order of “big data” Internet providers for ICS firms.

3. Telmate’s multi-million dollar investment in the development of video visitation services, available in 49 facilities, with several more coming online in 2014 (comprising approximately 70% of total inmates served), has yet to return even the development and production costs of the product in revenues to the company.

4. If the FCC were to reduce or ban commissions, many smaller facilities lack budgetary and tax support for inmate communications services which, together with increased costs of internal administration, would likely cause many county and local jails to remove inmate phones and cease making ICS services available altogether. Mr. Torgersrud concluded that without commissions, interstate inmate rates could be lower, as that cost of doing business would be eliminated, but stressed that correctional systems have unfunded revenue requirements that would strongly incent them simply to move to new forms of concession fees, such as lease charges to ICS firms, in order to replace lost commissions.

No documents or written communications were distributed at the meeting.

This notice of *ex parte* contact is filed in compliance with section 1.1206 of the Commission’s rules, 47 C.F.R. § 1.1206. Should you have any questions regarding the foregoing, please do not hesitate to contact me.

Sincerely,

/s/ Glenn Manishin
Glenn B. Manishin

cc: Randy Clarke (via email)
Rhonda Lien (via email)
John Bilyeu (via email)
Richard Torgersrud, Telmate